SOCIALIST STUDIES . . . . .

No. 2

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OFFICIAL JOURNAL OF
THE SOCIALIST PARTY OF GREAT BRITAIN

Communications to:
71 Ashbourne Court,
Woodside Park Road,
London N12 8SB

WITHIN a few months of a successful distribution of Socialist Studies No. 1. we published No. 2. later in 1989.

These articles, like those in No.1 were chosen from the past issues of the Socialist Standard, and again emphasised some important issues relative to the Socialist case.

From 1991, when we were expelled from the Clapham based Socialist Party, and re-constituted the Socialist Party of Great Britain, we have published subsequent issues of Socialist Studies. (A full statement on our expulsion and reasons for re-constituting the SPGB is available; please send large s.a.e to Head Office).

It has been, and will be our aim to further the circulation of articles fundamental to our case, and where necessary to criticise those actions and writings of the Clapham Socialist Party which we consider are anti-socialist and not in the interest of the working class.

Since 1991 we have made many copies of No 2, but in view of the demand have decided on a re-print with suitable cover and details of current literature.

April 1993

SOCIALIST STUDIES

No. 2

THE NEED FOR ECONOMICS

The SPGB is the only party which uses Marxian economics in its propaganda for the obvious reason that we alone are concerned with exposing the capitalist system, and showing how profit comes from the sale of labour power through the wages system. It is simply not possible to explain how capitalism works without some knowledge of its economic base and structure.

The Socialist propagandist has a duty to explain the wages system: why different rates of wages are paid; what determines the value and the price of the food, clothing and other everyday articles and services consumed individually and socially. We have to show how the working class are exploited. Also how mortgage and other interest rates arise and which affect those workers 'buying' their homes, and also those workers who may have some savings. These and other questions will arise at some point whenever the Socialist case is discussed.

A good working knowledge of the Marxian system can be gained by reading the first six chapters of CAPITAL volume 1 and also the pamphlets WAGE LABOUR & CAPITAL and VALUE PRICE & PROFIT. The latter two were written for working men and women over a century ago but the basic ideas they contain are valid and relevant to present day capitalism. They show that even the normal operations of capitalism must inevitably produce a class struggle and hostility to wage labour. VALUE PRICE & PROFIT in particular is a masterly work. It was originally given as a contribution to a debate by Marx in reply to John Weston, a member of the General Council of the 1st International. Weston claimed that higher wages cannot improve the conditions of the working class and that trade unions had a harmful effect. Among Weston's arguements was the claim that wage increases led to higher prices.

This has a familiar ring. Who has not heard this fallacy today by employers, politicians (Labour and Tory), and battalions of economists who advise them. There are a number of variations on the original theme. For example Mr. Harold MacMillan, Tory Prime Minister: "one man's wage increase is another man's price rise." Mrs Thatcher: "We are paying ourselves too much." In addition we have the incantations of the popular press: "wage increases are inflationary." "Wage increases are responsible for high mortgage charges." etc.

It is not the present purpose to deal with this fallacy. This is admirably answered in the pamphlet. The brilliant detailed analysis by Marx showing the mechanics of the law of wages and prices is in sharp contrast to the wooly utterances of those statisticians who style themselves economists.

Marxian economics prove that the anatomy of capitalism cannot change and therefore the case of the SPGB against capitalism can never be out of date.

SOCIALISM AND DISTRIBUTION

A correspondent (N.T.T.) asks us the following questions about the organisation of society on a Socialist basis:

(1) There are always people in any stage of civilisation, who do not like and do not tone in with their surroundings. People live today who would be much more happy lying in the sun all day, and picking their food from the trees. I wonder what would be considered the fair share of work for such people? Would they desiring none of the absurd luxuries of mechanised and artificial civilisation, be yet forced to do as much to maintain such a state as any lover of cigars, motor cars, and epicurean meals.

(2) All valuable (not in the monetary sense) works of art, will not be able to be kept in public museums. It is barely possible to consider all our paintings and sculptures thus placed, but for whom are our few Stradivarius violins, to mention but one kind art which cannot be left to rot in a museum? There are, as I have said, but a few; but there is a multitude of people who ache to possess them. And this is not greed. It is the very natural desire of the artist to express himself through as fine a medium as possible.

We cannot call those things details, and pass them over. They touch very vital chords of human nature, and must be considered.

REPLY

Our correspondent's first question is phrased in such a way that tends to obscure the real issue. We are asked to consider the case of the man who will desire "none of the absurd luxuries of mechanised and artificial civilisation," and who therefore will wish to avoid working to make them possible. He wants instead to lie in the sun all day and feed himself from the trees! If the illustration is to be taken seriously, it is itself absurd and impossible. Anyone who tried to live like this in England would have a very strenuous, brief and painful existence. He would be compelled to avoid all cultivated plants, because these are the products of our "mechanised and artificial civilisation," and would be so busy finding a sufficiency of uncultivated but edible articles, that he would have no time for sunning. He would doubtless soon fall ill. Moreover, not the social organisation but the climate would effectively prohibit his mode of life for 90% of the time. But if he then decides to seek sunnier climes, he will again have to fall back on those, to him, detestable mechanical devices, the ship or aeroplane.

The real problem is that of the persons whose tastes do not fully coincide with those of their neighbours, but that includes everyone. Everybody would want some but not others of the articles produced by society's cooperative effort, and would therefore appreciate the need for give and take. It is a problem implicit in every form of human society. The adjustments will be easier

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when the luxuries of some are not obtained at the cost of the necessaries of others. Now the poverty of the poor is forcibly imposed on them in order to safeguard the priveleges of the propertied class.

Our correspondent's second question has nothing to do with Socialism. We are not advocating Socialism on the ground that we have discovered a perfect method of dividing half a dozen Strads among a multitude of people. In the nature of the case there is no method of satisfying the desire of the multitude (if indeed they exist) who ache to possess a Strad. What Socialism will do will be to remove society's means of production and distribution from the ownership and control of a small minority. Having done that we do not think that the foundations of Socialist society will rock on account of the unsolved problem of the Strads and first editions and other unique relics of this, that, or the other dead hero. Capitalism gives the Strads to its most successful exploiters who can afford to pay monopoly prices, but nobody seems to mind very much. Artists and craftsmen will again find an opening for the production of masterpieces under the new social conditions.

SOCIALIST ACTION IN PARLIAMENT

The SPGB has always explained why a Socialist party must be based on, and fight elections on, the simple demand for Socialism and not on a programme of reforms or even on the demand for Socialism linked up with a programme of reforms. Several correspondents have asked what should be the attitude of a minority of socialists in Parliament or a majority or minority on a local council towards measures introduced by capitalist parties. We print below one of these letters:

To the Editorial Committee.
For the benefit of a few readers of the "S.S." could you give the Party's position upon a few points that arise from the 6th

Clause is the method advocated to get power to establish it, what would be , if any , the attitude or position of a single candidate or a few SPGB candidates who were elected by class conscious electors to the House of Commons, towards the problems discussed by capitalist politicians?

What would be the Socialist attitude towards the following measures that were being put on the Statute Book by, say, a Labour Government?: An Improved Minimum Wage Bill for all workers; An Improved Compensation Act; A Shorter Working Day for a section or for all workers; Abolition of the Means Test.

What would be the attitude of the single socialist or a minority of socialists on the Local Councils towards the problems discussed in Council?

Finally, in the event of a few constituencies voting a majority of class conscious socialists into power in the local councils, what would be their attitude from the point of view of administration of Council work? Hoping a reply will fulfill a useful purpose.

Yours,

Edward Littler.

REPLY

The SPGB has as its object the establishment of Socialism. It is a revolutionary party based on the class struggle, and not a reform party. Holding that no amelioration of the workers' condition can be obtained under capitalism that would be worth the amount of time and energy spent in working and organising to obtain it, the Socialist Party is opposed to the waste of such time and energy, and to the confusion involved in attempting to improve capitalism by means of reforms, thus obscuring the class struggle. A party claiming to be socialist, but with a list of reforms or "immediate demands", attracts reformers who are not socialists, and has a reformist and not a socialist electorate behind it. Even if such a party obtains political control it is useless for the purpose of furthering Socialism.

While the SPGB is opposed to a reformist policy the socialist delegate in Parliament or on a local council is not therefore bound to vote against every particular measure. The SPGB does not

hold that the measures already taken or to be taken by the capitalists are all of them bound to be useless or harmful to the workers, or bound to impede progress towards Socialism. Some of the suffrage, factory and trade union legislation in the past, while assisting capitalists immediately or in the long run, has not been correspondingly harmful to the workers. The Socialist Party holds that some of the measures brought forward by the capitalists owing to economic developments or owing to conflicts of interest between sections of the capitalists themselves can be used as weapons in the class struggle by the workers and by the socialist movement. That being the case, a socialist minority in Parliament or on a local council would be required by the socialists who sent them there to criticise from the socialist standpoint all measures brought before them (pointing out their futility in comparison with Socialism and so forth), and to refrain from supporting, bargaining or allying themselves with any party for temporary ends, but at the same time would be required to vote for particular measures where there is a clear gain to the workers and the socialist movement in so doing. (The decision would of course be in the hands of the Party, and not in the hands of the individual.) It may be added that such measures are more likely to be put forward when Socialism is imminent, and a frightened ruling class is striving to keep back the flood by making concessions.

The position which the SPGB has always taken up, and which is outlined above, differs fundamentally from the position of candidates elected on reform programmes by reformist voters. In the case of socialists elected on a socialist programme, the decision lies with socialists, well able to judge the merits from a socialist standpoint. In the case of reformists (the I.L.P. for example) the decision rests with a party and an electorate which do not know and accept the socialist case, and are incapable of judging from the socialist standpoint.

With regard to the issues raised by our correspondent , it is of little use to give a yes or no answer, because the effect of particular measures depends on the time and circumstances and the actual clauses of the measures in question. It is not sufficient merely to be told that a bill is described by its supporters as a bill for a minimum wage, or for an improved compensation law,

etc. Advocates of a minimum wage have often associated it with the prohibition of strikes, and a Minimum Wage Bill might have tacked on to it a clause penalising strikers. The abolition of the Means Test may look like a clear issue on which a socialist minority would be instructed to vote for abolition, but it must be borne in mind that a proposal for its nominal abolition would probably be linked up with the imposition of some other objectionable procedure.

What is stated above in connection with a minority in Parliament explains also the attitude of a minority on a local council. A socialist minority on the London County Council, for instance, would vote for a proposal to restore the right of selling literature and taking up collections in London parks since the SPGB are the chief sufferers from the prohibition introduced a few years ago.

Our correspondent's last question refers to a majority on a local council. By the time a few constituencies had voted a majority of class conscious socialists into control of the local councils the rest of the country would be on the verge of doing the same thing, and on the verge of sending a majority of socialist delegates to Parliament also. If such a hypothetical situation arose the socialist majority would use the limited power, funds and organisation of the municipalities to help with the task of capturing the central seat of power, in every way available.

In conclusion we must emphasise that the object of the Socialist Party of Great Britain is the establishment of Socialism. This purpose, in an organisation based solely upon the demand for Socialism, and putting forward candidates on that and nothing else, cannot be forgotten or submerged. Our policy, our organisation, and all our activities are governed by that objective. The question of voting for or against, or ignoring measures introduced by non socialist parties, does not and cannot influence our policy towards the objective.

AN INTRODUCTION TO INFLATION

Prices have been going up for so long that many people think it is the natural order of things. They are wrong; governments cause inflation. They could, if they so decided, bring prices down (deflation), or keep prices more or less stable. In the 19th Century governments did keep prices stable, and in 1920-25 the government reduced prices by 30 per cent.

Suggested explanations for inflation have to fit the above facts. One explanation for inflation is "greed": greedy workers making big wage claims or greedy manufacturers wanting big profits. But weren't they greedy in the 19th Century when prices were stable? And how do you explain the fall in prices in 1920-25?

One silly theory now in fashion is that low interest rates cause inflation. Hence the claim by Chancellor Nigel Lawson that he had to put up interest (and consequently mortgage interest rates) to bring prices down. A hundred years ago interest rates were only about a third as high as now but there was no inflation. In reality the reverse of Lawson's theory is true: ie. rising prices cause interest rates to rise.

The government alone is responsible for inflation because it is they who decide the amount of money (notes and coin) in circulation. A text book definition published in 1904 read: "Inflation is a fall in the value of money, with a rise in the general price level..... caused by a comparatively permanent excess in the amount of money in circulation".

In the 19th Century governments kept the amount of notes and coins under control, and prices were stable. In 1920-25 the government reduced the amount of money and prices fell. Since 1938 an uncontrolled flood of notes has been put into circulation, and prices are now about 24 times the 1938 level.

As between inflation, deflation, and stable prices who benefits? When prices are rising the amount each pound will buy gets less year by year. So a borrower, when he repays a loan, does so

in depreciated money, to the cost of the lender. When prices are falling the reverse happens. Some adjustment of interest rates takes place, interest going up during inflation and down during deflation, but the adjustment is only partial. So, on balance, inflation benefits borrowers and deflation benefits lenders. Bankers, being both borrowers and lenders, generally favour stable prices.

How are the interests of wage and salary earners affected? There is a popular belief that workers' living standards must rise when prices and interest rates fall, and that their standards fall when prices and interest rates rise. It is quite mistaken.

The only fall of prices this century was the 30 per cent fall in 1920-25. Wages fell more than prices, so workers were worse off. On the other hand, though prices have gone up by 50 per cent since 1981, total wages and salaries have each year increased more than the rise of prices. Changes in living standards depend on whether capitalism is in depression or is expanding and profitable, and on the ability of unions to mount strikes. When profits are high and rising companies make concessions on wage claims to prevent the flow of profit being interupted by strikes. When the next depression comes along there will no doubt be some fall of living standards whether at that time prices are rising, falling or stationary.

Whether there is inflation, deflation or stable prices, all employers pay wages as low as possible, because higher wages mean lower profits. And all governments, Labour as well as Tory, try to prevent wages rising so much that they endanger profitability.

ALL LETTERS AND REPLIES IN THIS ISSUE HAVE BEEN CONDENSED FROM PAST ISSUES OF THE SOCIALIST STANDARD.

THAT THIS EMANCIPATION MUST BE THE WORK OF THE WORKING CLASS ITSELF

It is obvious that the working class, as the exploited class, have an interest in achieving emancipation, and equally obvious that capitalists as a class have no such interest, and indeed are bound to to react against it even though, as Marx pointed out, it is sometimes possible for enlightened individuals in a ruling class to throw in their lot with a revolutionary movement.

The question does arise, however, whether the working class can leave the achievement of emancipation to leaders. All of the other political parties, including those calling themselves socialist, accept the principle of leadership. The disciples of Lenin , for example, subscribe to his fallacious view that Socialism can be achieved by an educated leadership, and elite composed of professional revolutionaries drawn from the 'intelligensia', leading a mass of followers.

The Socialist Party of Great Britain and its Companion Parties in other countries wholly reject the concept of leadership. The movement that is to be capable of achieving Socialism has an absolute need of members with understanding and self reliance. Even if we could conceive of a leader-ridden working class displacing the capitalist class from power, such an immature class would be helpless to undertake the responsibilities of democratic socialist society. Socialism cannot be imposed from above.

The point is well put by Frederick Engels:

"The time is past for revolutions carried through by small minorities at the head of unconscious masses. When it gets to be a matter of complete transformation of social organisation,the masses themselves must participate, must understand what is at stake and why they are to act. That much the history of the last fifty years has taught us. But so that the masses may understand what is to be done, long and persistent work is required....."

(1895 Introduction to Marx's 'Class Struggles in France 1848-50').

MEETINGS

CAMDEN AND NORTH WEST LONDON BRANCHES
THE SOCIALIST PARTY OF GREAT BRITAIN

SUNDAY 19th March 1989 3 pm
IS MARXISM OBSOLETE ?
Speaker: E. Hardy

SUNDAY 2nd April 1989 3 pm.
THE ROLE OF THE SPGB IN THE 90's
Speakers: T. Dobson & J. Krauze

SUNDAY 9th April 1989 3 pm
THE THATCHER DECADE & LABOUR'S DECAY
Speakers: A. Buick & J. Carter

SUNDAY 7th May 1989 3 pm
LABOUR IN HISTORY, MONUMENT OR MOVEMENT ?
Speakers: T. D'Arcy & R. Lloyd

SUNDAY 21st May 1989 3 pm
THE RUSSIAN DILEMMA
Speaker: J. D'Arcy

SUNDAY 4th JUNE 1989 3 pm
THE ESSENTIALS OF MARXIAN ECONOMICS
Speaker: E. Hardy

ALL MEETINGS will be held at the Marchmont Community Centre, 62 Marchmont Street, WC1. Nearest tube station: Russell Square, (Picadilly Line) 5 minutes.

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NORTH WEST LONDON BRANCH meets on the 2nd and 4th Thursdays in month. 7.30 pm Abbey Community Centre Belsize Road NW6. Secretary C. May, 71 Ashbourne Court, Woodside Park Road, N12. CAMDEN BRANCH meets on the 2nd and 4th Tuesday in month, 6pm, the Marchmont Community Centre, 62 Marcmont Street, WC1. Secretary: T. Dobson, 198 Inchmery Road, Catford, SE6 1DF

VISITORS WELCOME, ADMISSION FREE, QUESTIONS AND DISCUSSION.

THE SOCIALIST PARTY OF GREAT BRITAIN

OBJECT

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

DECLARATION OF PRINCIPLES

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1 That society as at present constituted is based upon the ownership of the means of living (i.e., land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.

2 That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce, and those who produce but do not possess.

3 That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into the common property of society of the means of production and distribution, and their democratic control by the whole people.

4 That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.

5 That this emancipation must be the work of the working class itself.

6 That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.

7 That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.

8 The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

THE SOCIALIST PARTY OF GREAT BRITAIN

NEW MEETING DETAILS

NORTH WEST LONDON BRANCH meets on the 1st and 3rd Mondays in the month.
7.30 pm Abbey Community Centre, Belsize Road, NW6.
Secretary C. May, 71 Ashbourne Court, Woodside Park Road, London N12 8SB

CAMDEN / BLOOMSBURY BRANCH meets on the 4th Tuesday of month.
6 pm Marchmont Community Centre, 62 Marchmont Street, WC1
Correspondence to the Secretary, S.P.G.B., 31 Caernarvon Road, Eynsbury, St. Neots, Cambs. PE19 2RN

All meetings are open to the public and visitors are welcome. Those wishing to find out more about the Party and its activities should contact the Secretary.

FURTHER LITERATURE AVAILABLE

Socialist Studies nos. 1, 3, 4, 5, 6, 7 & 8
Turmoil in Russia (leaflet).
Available on receipt of large s.a.e.

Questions of the Day pamphlet:-
No.1. Inflation: Cause and Effects
No.2. Unemployment and Recessions.
No.3. Marx - Modern History and Economics.
(25p each, post paid)

MARXIAN CLASSICS

Wage labour and Capital
Wages Price and Profit
Socialism Utopian and Scientific

There are a number of cassette tapes (available on application) of various lectures together with questions and discussion. Subjects include; Recession, Trade Unions, Pollution, William Morris, Daniel De Leon and several others. For details please contact Branch Secretary.